



State of Washington

**AFFORDABLE HOUSING ADVISORY BOARD**

**1011 Plum Street SE - PO Box 42525 - Olympia, Washington 98504-2525 - (360) 725-4000**

Faith Pettis  
*Board Chair*

Vacant  
*Residential Construction Industry*

Michael Richart  
*Residential Construction Industry*

Bryan Friend  
*Mortgage Lending Industry*

Lynette Hoffman  
*Mortgage Lending Industry*

Wanda Coats  
*Real Estate Sales Profession*

Connie Devaney  
*Apartment Management & Operation Industry*

Paul Purcell  
*For-Profit Housing Development*

Kevin Grossman  
*For-Profit Rental Housing*

Tony To  
*Non-Profit Housing Development*

Chris Lowell  
*Homeless Shelter Operations*

Shaw Seaman  
*Special Needs Populations*

Joe Ingram  
*Low Income Housing*

Vacant  
*At-Large/General Public*

Tom Tierney  
*Public Housing Authorities*

Obie O'Brien  
*Counties, Eastern WA*

Hon. David Gossett  
*Counties, Western WA*

Mike Adolfae  
*Cities, Eastern WA*

Lauren Walker  
*Cities, Western WA*

Toni Johnson on behalf of Christine Olson  
*Ex-Officio, Dept. of Social & Human Services*

Kim Herman  
*Ex-Officio, Housing Finance Commission*

Dan McConnon  
*Ex-Officio, Dept. of Commerce*

**BOARD MEETING SUMMARY**

**Monday, April 16, 2012 1:00pm to 4:00pm**  
**Federal Way City Hall – Federal Way, WA**

**ATTENDANCE**

Faith Pettis, Dan McConnon, Obie O'Brien, Michael Richart, Dave Gossett, Lauren Walker, Connie Devaney, Paul Purcell, Joe Ingram, Wanda Coats, Bryan Friend, Kevin Grossman, Tony To, and Chris Lowell.

**STAFF**

Cary Retlin and Cherish Rahikainen.

**GUESTS**

Craig Nolte, Federal Reserve Bank of San Francisco  
Paul Edwards, Washington State Housing Finance Commission on behalf of Kim Herman

**PUBLIC ATTENDEES**

Alison Mendiola, Staff Coordinator and Counsel to the Senate Financial Institutions, Housing and Insurance Committee  
Jennifer Thornton, Research Analyst to the House Community & Economic Development & Housing Committee

**INTRODUCTIONS AND CONFIRMATION OF AGENDA**

**Faith Pettis**

Faith summarized the agenda.

**APPROVAL OF MINUTES**

The November 2011 meeting summary was approved.

**REPORT FROM THE CHAIR**

Faith introduced herself as the new Chair of the Affordable Housing Advisory Board. She is excited to take on a leadership role, especially during the upcoming gubernatorial transition.

Faith is a lawyer for Pacifica Law Group and practices in the areas of public finance and municipal law. She focuses mainly on bond counsel work for state and local agencies in the areas of housing, education and nonprofit finance. Her bond counsel clients include school districts across Washington state, housing authorities and the state agency conduit issuers for single and multifamily housing, nonprofit facilities and private colleges and universities. She serves as general counsel and bond counsel to the WSHFC.



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She has asked Board members to take a step back and look at where we've been, where we want to go, move toward building an agenda and create a work plan to ensure we fulfill our statutory mandate.

### OVERVIEW OF FORECLOSURE IN OUR STATE

Craig Nolte, Regional Manager of the Federal Reserve Bank of San Francisco presented data trends on foreclosures in Washington.

Local task forces are tackling neighborhood clean up of foreclosed homes and sponsoring educational classes. More information is available on their [website](#).

Tony To shared his insight on some of the challenges that potential buyers of these distressed properties are facing. Many lenders require a credit score to be in the 720's in order to qualify for an affordable interest rate. This can be a barrier, particularly for first time home buyers. In addition, borrowers with multiple incomes are having difficulty getting that income to qualify, even when salary and employment documentation is available.

### AHAB STATUTORY MANDATE

Members reviewed AHAB's [Statutory Mandate and Bylaws](#).

Faith asks that as we set our Board agenda for the next two years, we work to find consensus around common issues and make them our own.

### AHAB TASKS

Per [RCW 43.185B.040](#), AHAB is tasked with:

- Preparing and amending a five-year housing advisory plan; and
- Submitting an annual progress report to the legislature each February, detailing the extent to which the state's affordable housing needs were met during the preceding year and recommendations for meeting those needs.

Representative Smith sponsored [HB 2640](#), which requires AHAB to deliver a report to the legislature by the end of summer on recommended improvements in efficiency and cost effectiveness for the Housing Trust Fund. Dan and Faith will make a presentation during Assembly Days in November.

Commerce is working to use funds from the federal Neighborhood Stabilization Program to help update the policy guidelines for the housing chapter for cities and counties. They will join our September meeting.

Typically, during a gubernatorial transition, state agencies are asked by the Governor's Office to provide a general report on the Boards and Councils we administer. We have not heard official word, but we expect this is coming.



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### **IMMEDIATE AND LONG TERM WORK PLAN**

Faith realizes Board members have their plates full with their normal work. We need to be realistic about our list of duties and how to be most helpful to Commerce as their advisory Board.

The economy has changed since the last five year plan. We are at a crossroad with opportunities. Faith would like to take a fresh look at the Board's priorities. This does not disregard the survey work that was done over the past year.

She has asked the Board to drill down to a few areas of focus, raise the profile of these issues, pull the right people into the room, build consensus, speak as a unified group, and push a legislative agenda of 3-5 items.

Board members shared areas of needs/focus that could be addressed in the next year:

- Growth Management Act involvement.
- Improve the way systems in state government work together to increase affordable housing. For example, strengthen the connection between the State Advisory Council on Homelessness, Interagency Council on Homelessness and AHAB.
- Use foreclosure crisis as an opportunity for affordable housing. Distressed homes are turning into rentals.
- Resist point-of-sale.
- DSHS is working on a MOU with housing authorities to provide Family Unification Vouchers to children of offenders. Enhance these coordinated efforts.
- With proper oversight and inspection, utilize foreclosed homes for DD homes and services. Currently, local agencies are not able to provide services and own the home.
- Simplify prevailing wage regulations with Labor and Industries to broaden contractor pool for weatherization and rehab projects.
- Get ahead of VASH curve with many military service men and women coming back to the state.

### **COMMERCE UPDATE**

Dan McConnon provided the Board with a Commerce update.

- AHAB Support and Updates
  - Ken Olson, former AHAB support, is still with the agency however he will focus his time on Housing Trust Fund program monitoring in Eastern WA.
  - AHAB and the Interagency Council on Homelessness will move out of their programmatic areas and move into our policy shop. Cary Retlin will help connect our policy advisory groups to agency work at a higher level, which will allow us look more broadly at various housing issues.
  - Board members are now eligible for travel reimbursement to/from regular Board meetings. If you are interested, please contact Cherish Rahikainen.



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- Budget and Program Updates
  - Finished the legislative session strong, with four new programs and a substantial amount of new money.
  - Document Recording Fee bill passed. Adds \$250 million over four years. Commerce staff and county auditors are still sorting out which documents are eligible for recording fees.
  - Foreclosure Fairness Act amended with technical fixes and change in administrative funding.
  - New pilot program for homeless youth in the Seattle area.
  - Washington is among the leaders in the nation in investing in housing programs.
  - Half of the capital budget is going through the Department of Commerce:
    - \$67 million for the Housing Trust Fund in the capital budget.
    - \$2.8 million for community and capital facilities.
    - \$10 million for weatherization.
    - \$48 million in energy efficiency for schools and government buildings.

## SUBCOMMITTEE REPORTS

### PAT - Policy Advisory Team

- Motion: Moved by Wanda Coats to officially appoint the Policy Advisory Team as the sub-committee that AHAB charges to respond to HB 2640 directives. If any AHAB members are interested in serving on this sub-committee, contact Faith.

Motion seconded and passed.

- Ayes: 12
- Nays: 0
- Abstain: 0

### SACH - State Advisory Council on Homelessness

- None.

### Other General Reports

- None.

## ROUNDTABLE DISCUSSION

- Faith welcomed Board members to contact her with ideas for the educational component of our reoccurring meetings or if members are interested in serving on a sub-committee.

## MEETING ADJOURNED 4:00pm

### Future items:

- **Growth Management Act presentation**
- **Educational Sessions**



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***Next Meeting: Tuesday, June 26, 2012***  
***10:00am to 1:00pm***  
***Tacoma-Pierce County Association of REALTORS®***  
***2550 South Yakima Avenue, Suite C***  
***Tacoma, WA 98405***